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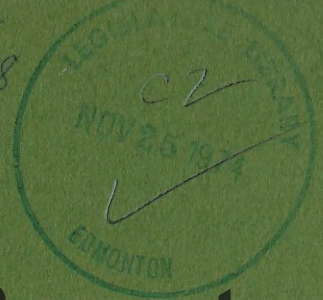
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Annual Report March 31st 1974

Alberta
MINES AND MINERALS

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Alberta

MINES AND MINERALS

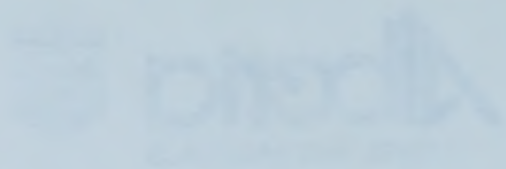


To His Honour
J. W. Grant MacEwan
Lieutenant Governor of the Province of Alberta

Sir:

I have the honour to submit the Annual Report of the Department of Mines and Minerals for the fiscal year ended March 31st, 1974.

Respectfully submitted
BILL DICKIE, Q.C.,
Minister of Mines and Minerals



To the Honorable
The President of the United States
Washington, D.C.

I have the honor to acknowledge the receipt of your letter of the 1st of June, 1964, and to inform you that the same has been forwarded to the appropriate authorities for their consideration.

Sincerely,
[Signature]
[Name]
[Title]

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**Office
Of The
Deputy
Minister**

TWENTY-FIFTH ANNUAL REPORT
OF THE

Department of Mines
and Minerals

TO THE HONOURABLE BILL DICKIE, Q.C.,
Minister of Mines and Minerals

Sir:

I have the honour to present the Annual Report of the Department of Mines and Minerals for the fiscal year ended March 31, 1974.

Record production levels of petroleum liquids highlighted the mineral segment of Alberta's economy in 1973 and moved total mineral production to some \$2.7 billion, or one-third of Canada's total.

Crude oil production rose 23% to 1,433,671 barrels per day while output from the oil sands declined 2% to 50,538 barrels per day because of plant maintenance, the first in 18 months. Liquids extracted from the processing of natural gas were up 6.7% to 308,298 barrels per day and raised total liquids production in Alberta by 19% over 1972 to 1,792,507 barrels per day.

The United States again provided the largest market and took 1,085,419 barrels per day or 61% of total liquids production. This was the first year that exports of liquids exceeded the million barrel a day mark. These exports levels will not likely be sustained, however, because of imposition of export and price controls by the Canadian Government designed to avert anticipated shortfalls in supply to Canadian consumers, primarily in Eastern Canada.

Sales of natural gas rose 6.3% from 1,818 to 1,933 billion cubic feet. The United States imported 765 billion cubic feet, or 40% of the total, and Ontario provided the next largest market by taking 619 billion cubic feet. Sulphur is an important co-product of natural gas processing, and production was up from 6.5 to 7.0 million long tons. Average sales value was only \$5.70/ton, however, prices were firming at year-end because of a world-wide boom in the fertilizer industry.

Drilling rose sharply in 1973 by 837 to 3,513 wells and exploration drilling comprised 1,660 of the total, a rise of 458 completions. Substantial increases in field prices for oil and gas, and exploration incentive programs offered by the Government were the factors responsible for the large rise in drilling.

Despite the increase in drilling activity no large oil discoveries were made and record production volumes contributed to a net decrease in reserves of 466 million barrels to 6,620 million barrels at year-end. An additional 26,500 million barrels of synthetic crude, however, is considered recoverable from mining operations in the large oil sands deposit of Athabasca. The search for gas in shallow formations in Southern Alberta continued to be a priority exploration target and along with high levels of development drilling, helped to raise sales gas reserves by 6.5 trillion to 49.6 trillion cubic feet.

Important developments took place in the field of energy prices during 1973. The Middle East and African producing countries initiated a series of increases in the tax reference price of crude oil causing an upward movement of prices in consuming countries. At the same time, the Arab-Israeli conflict led to restrictions or withholding of oil supplies which reduced world supply considerably below requirements. Largely resulting from these actions, the major integrated oil companies in Canada raised prices three times during the year by a total of \$0.85 a barrel. This had the effect of raising the average wellhead price in Alberta to \$3.48 a barrel at the end of 1973.

The average wellhead price for natural gas rose slightly from 16.9 to 19.0 cents per thousand cubic feet but is expected to almost double in 1974. The Alberta Government is concerned that natural gas is leaving the Province at much less than fair value and will not grant additional export applications unless prices rise to meet the new gas pricing policy. A rebate will protect Alberta consumers from most of the impact of rising natural gas prices.

Syncrude Canada Limited announced in September that it was going ahead with the largest capital project in Alberta's history, the \$1 billion complex in the Athabasca oil sands. The plant is designed to produce 125,000 barrels of oil a day with initial production planned for the fall of 1978. Syncrude is a consortium of four companies formed in 1965 whose plans for an earlier plant were set aside in order to prevent the production of "synthetic" crude oil from disrupting the orderly marketing of conventional oil.

Great Canadian Oil Sands Limited, which has been producing from the oil sands since 1967, was recently granted an increase in its authorized daily rate from 45,000 to 65,000 barrels. Production from the plant declined slightly to 50,538 barrels a day in 1973 due to a major plant turnaround and maintenance on one of the two bucketwheels used to excavate the sands.

Important legislation in energy matters was put before the Legislative Assembly in 1973. The Arbitration Amendment Act, 1973 contains a section affecting arbitration relating to re-determination of selling price under purchase contracts of Alberta produced gas. The arbitrators will be required to use the commodity value of gas (i.e. value in relation to value of other energy sources) as the major criterion in determining its field value, which in turn will be used to set the redetermined price of gas. This legislation results from the Government's overall plan to increase the price of natural gas leaving the Province.

The Mines and Minerals Amendment Act, 1973 clarified that a royalty reserved to the Crown is payable in kind, i.e. production, not money. The Act also contains a provision that royalty rates may be fixed greater than the maximum royalty now provided for in petroleum and natural gas leases. Another important part of the Act deals with the Alberta Petroleum Marketing Commission and provides that the Crown's royalty share of petroleum recovered shall be delivered to the Commission and that a lessee's share of petroleum recovered shall be sold through the Commission.

The Commission was created by The Petroleum Marketing Act to handle the marketing of the Crown's royalty share and a lessee's royalty share of petroleum, both from Crown and freehold lands. The Act also provides the Province with legislative authority, in the event of cooperation between the Provincial and Federal Government, on regulatory powers under the Constitution. This legislative authority could enable the Provincial Government, for the first time, to set prices for crude oil.

Formation of the Alberta Energy Company was announced September 18 by Premier Lougheed. It will provide Albertans with opportunities for equity investments in Alberta energy resources. Capitalization of \$500 million, the largest for any Company yet incorporated in Alberta, will be provided on a 50:50 basis by the Government and Alberta citizens. Other Canadians will be given the opportunity to buy any remaining shares not purchased by Albertans. The company will hold 80% interest in a pipeline from Fort McMurray to Edmonton which will be the carrier for oil from all oil sands plants. In addition, it will hold 50% in the related power facility providing power and steam necessary for extraction of bitumen from sands and an option may be exercised later to acquire up to 20% interest in the Syncrude plant itself.

The company will also invest in the Suffield Block natural gas development by acquiring natural gas rights from the Crown and developing gas in conjunction with private industry. Suffield is a 644,415-acre block in Southern Alberta under which the Crown owns 95.1% of the mineral rights. A private evaluation indicated an estimated 4.1 trillion cubic feet of gas reserves under the block and the Suffield Evaluation Committee spudded its first well of a planned 77-well program in July. To the end of 1973, 62 wells had been completed all of which indicated commercial production.

Coal is another important energy source in Alberta and information on it may be obtained from the Energy Resources Conservation Board at 603 - 6 Avenue S.W., in Calgary.

Other important developments during the fiscal year are contained in the divisional reports which follow.

Respectfully submitted,
G. B. Mellon, P.Geol.,
Deputy Minister.

Chief Officers

DEPARTMENT OF MINES AND MINERALS

MARCH 31st, 1974.

MINISTERS OFFICE

HON. BILL DICKIE, Q.C., MINISTER
R. D. Orman Ministerial Assistant

DEPUTY MINISTERS OFFICE

DR. G. B. MELLON DEPUTY MINISTER
E. K. Spady Solicitor
M. A. Carrigy Senior Adviser - Oil Sands
G. D. Dawson Personnel Officer
J. J. Heron Statistician

MINERALS DIVISION

M. J. DAY DIRECTOR
R. J. Pow Chief Geologist
F. J. HOLUBOWICH ASSISTANT DIRECTOR - MINERALS AGREEMENTS
E. G. Staniforth Registrar
E. D. Barnard Supervisor - Registrations
Vacant Manager - Agreements
W. H. Roy Supervisor - Exploratory Agreements
Vacant Supervisor - Leases
VACANT ASSISTANT DIRECTOR - MINERALS SALES
Vacant Posting Coordinator
D. V. Rees Supervisor - Geophysical/Conciliation
B. R. Nimchuk Mining Recorder - Edmonton District
D. C. MacMillan Mining Recorder - Calgary District
J. M. Novak Superintendent - Technical Services

FINANCE DIVISION

L. H. MONTGOMERY DIRECTOR
B. B. Goltz Manager - Crown Revenues
R. J. Salahub Supervisor - Oil Royalty
I. J. McKellar Supervisor - Gas Royalty
I. M. Harrington Superintendent - Mineral Tax
N. B. Adam Assistant Superintendent
B. P. P. Muir Manager - Accounting
J. P. Charrois Supervisor - Accounts Receivable

**Minerals
Division**

Alberta
MINES AND MINERALS

Minerals Division

Report of the Director of Minerals

MICHAEL J. DAY

The Minerals Division is responsible for the disposal of mineral rights and the subsequent administration of agreements conveying such rights to those engaged in exploration and development of minerals owned by the Crown in right of Alberta.

Exploration for and development of Crown minerals may be conducted only after an agreement in favor of an operator has been issued by the Department. The Minerals Division receives all applications for such agreements, conducts all the necessary investigations, and performs all necessary functions involved in the issuance of the agreements.

Mineral rights, the property of the Crown in right of Alberta, are not sold but are granted under lease, reservation, permit or other agreement for a limited period of time.

Petroleum and natural gas rights may be acquired either under a lease or, where larger areas are available, in the form of reservations, permits or licences.

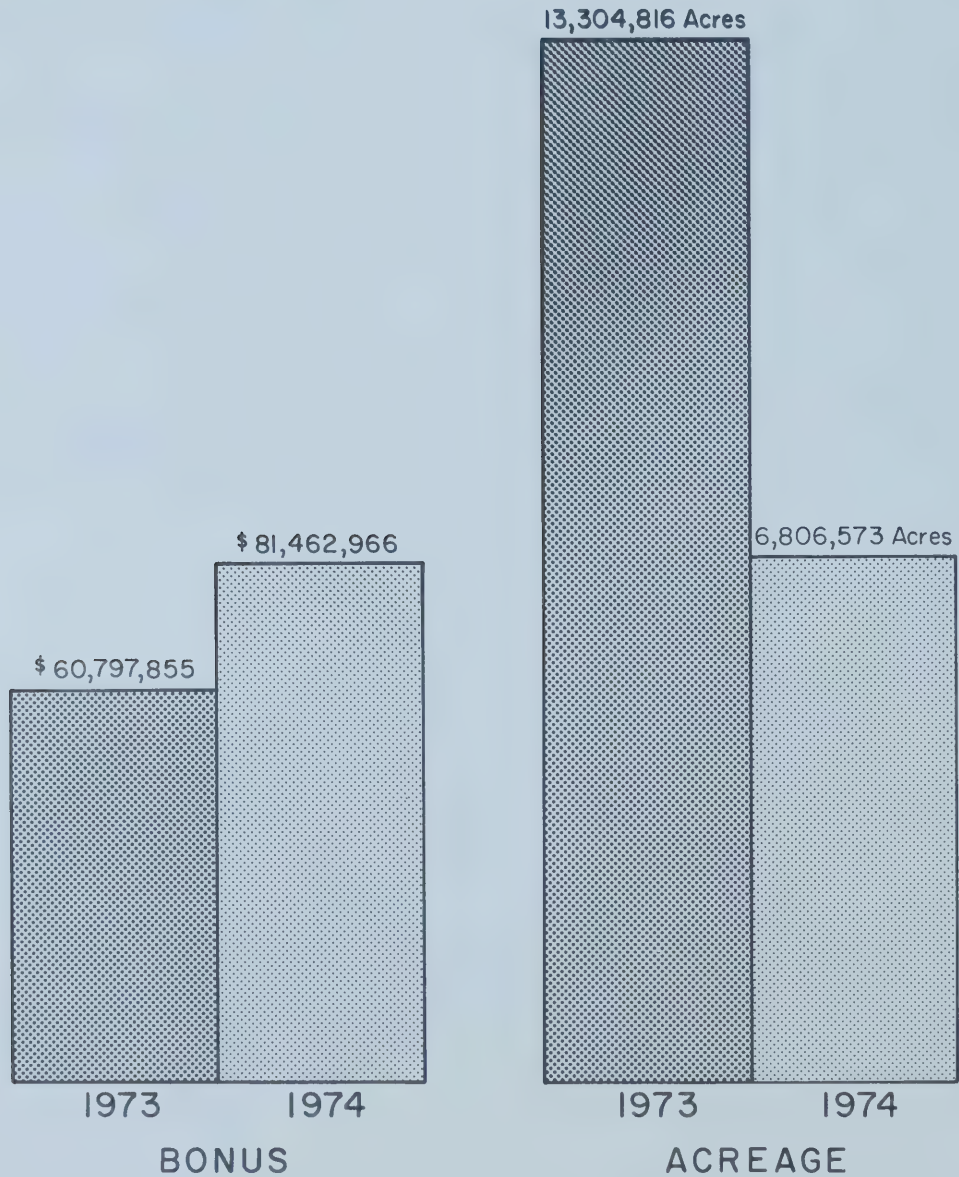
Petroleum and natural gas permits are the exploratory agreements under which rights

are disposed of in Block A, being that part of the province lying east of the 5th Meridian and comprising townships 1 to 64 inclusive. Upon drilling a well on lands in the permit, a permittee may acquire leases comprising 100% of the area of the permit. The maximum life of a permit is three years and a well must be started before the end of the second year.

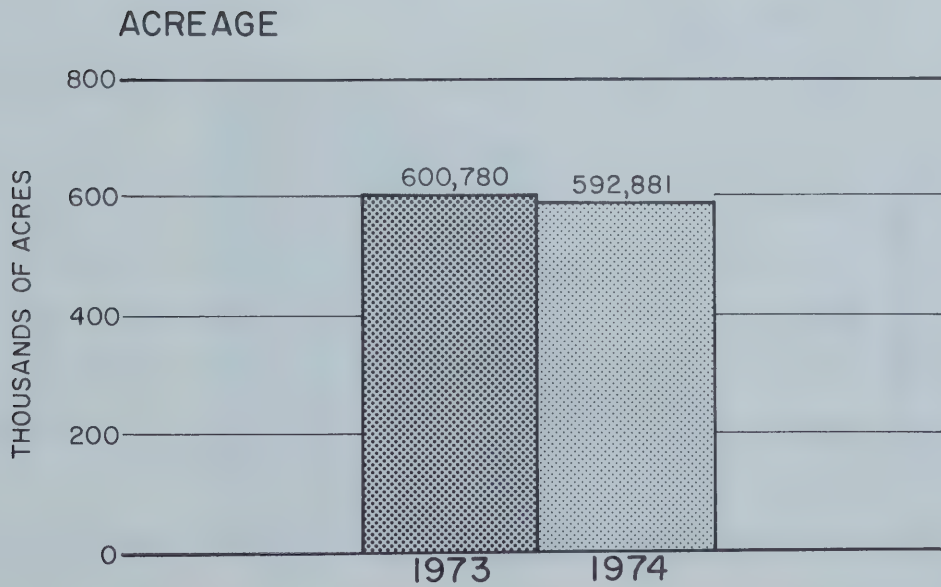
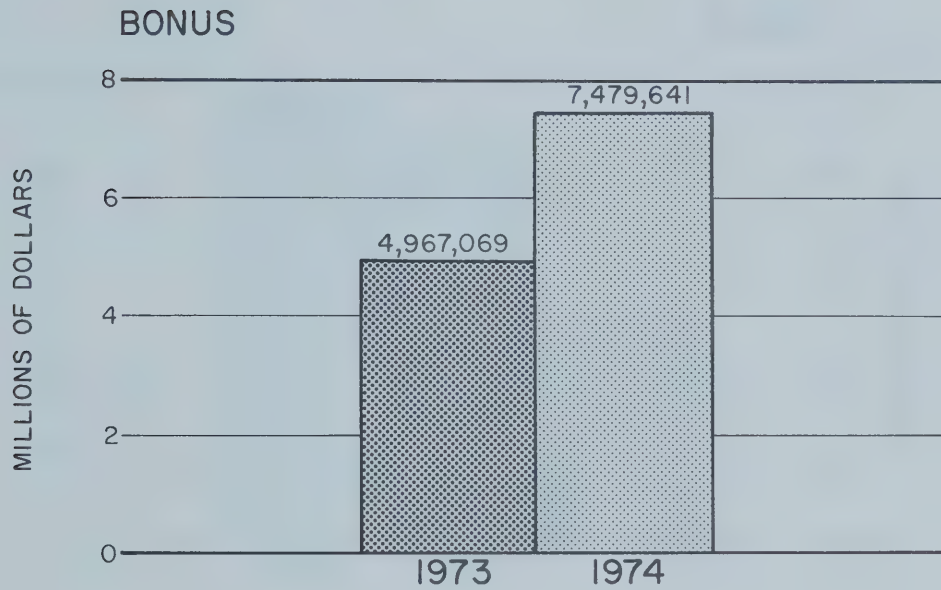
Petroleum and natural gas reservations fall under the exploratory agreements in the balance of the province. Provided the reservation holder is conducting exploratory operations, he may hold a reservation for a maximum of six and one-half years following which he may acquire leases out of the reservation comprising not more than 50% of the rights in any township. The remaining 50% of the rights contained in the reservation revert to the Crown for subsequent disposition as Crown reserves.

The following charts indicate the various types of rights granted at sales conducted by the Minerals Division during the fiscal years 1972-73 and 1973-74.

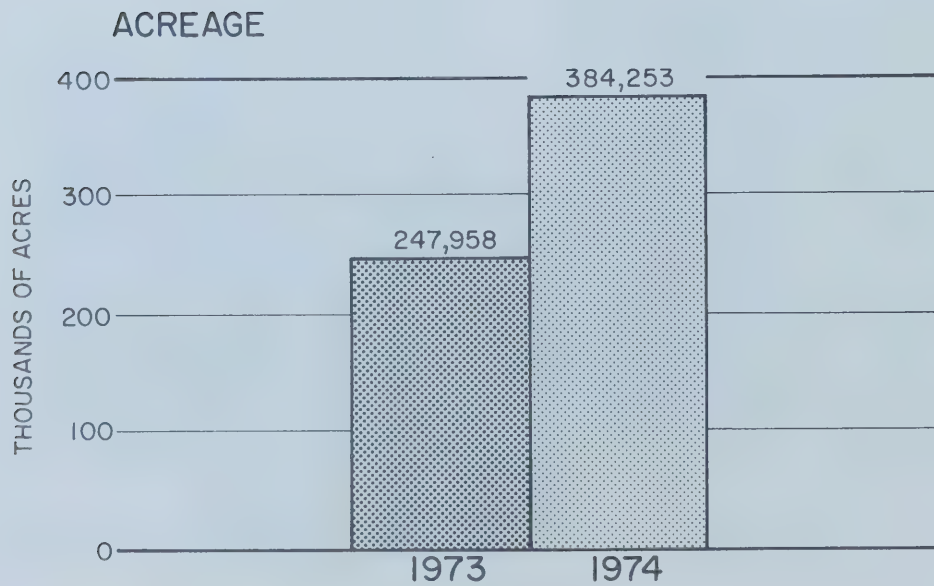
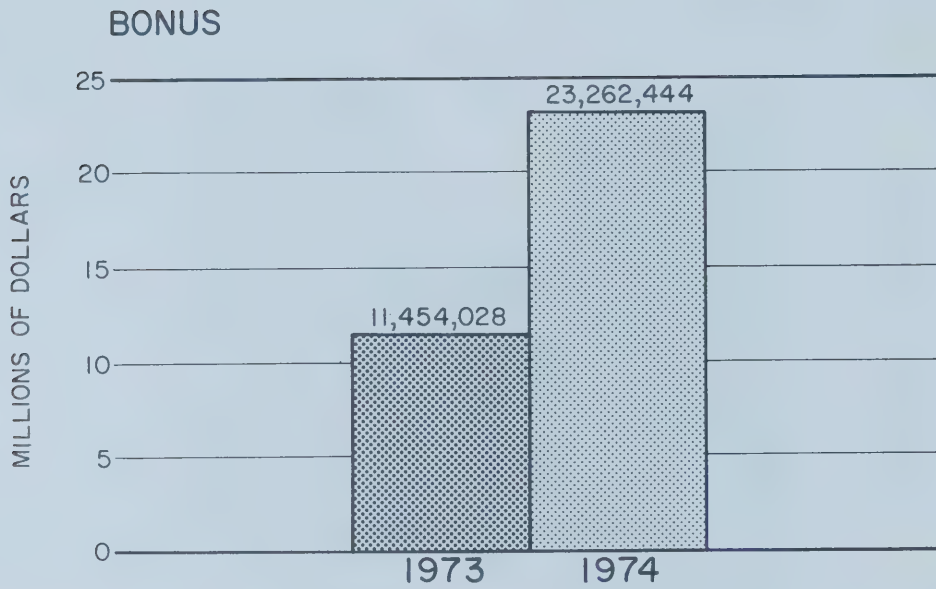
ALL PUBLIC DISPOSITIONS OF PETROLEUM AND NATURAL GAS



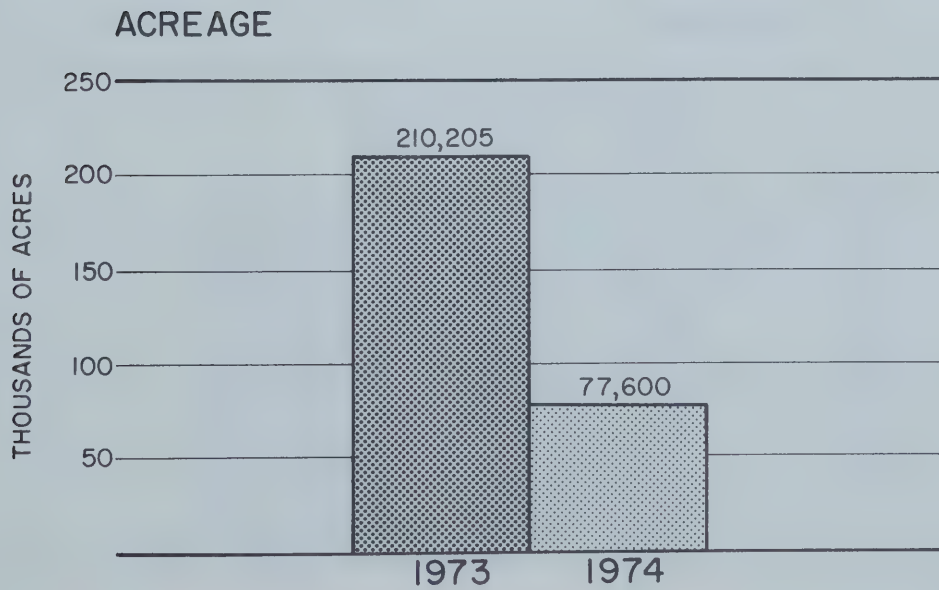
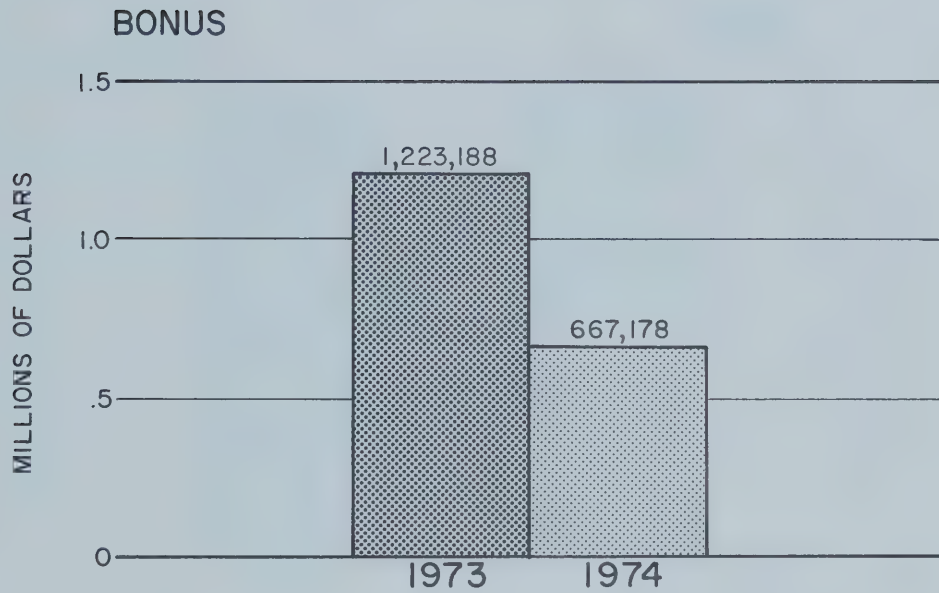
BLOCK 'A' LEASE



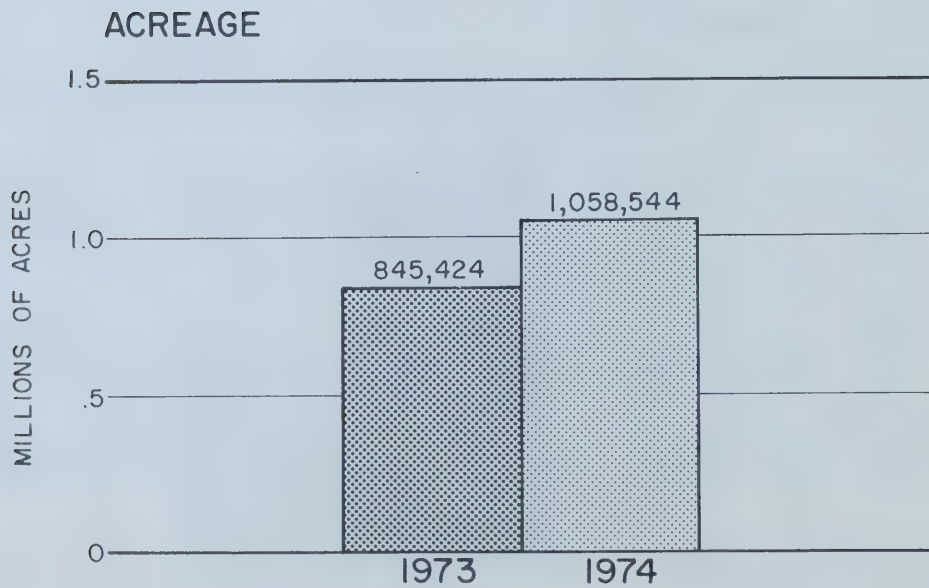
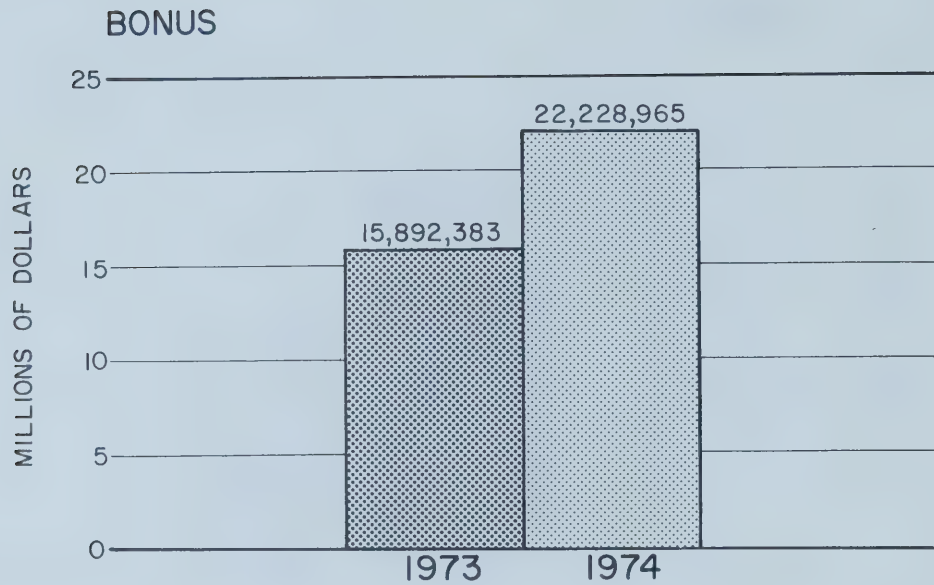
CROWN RESERVE LEASE



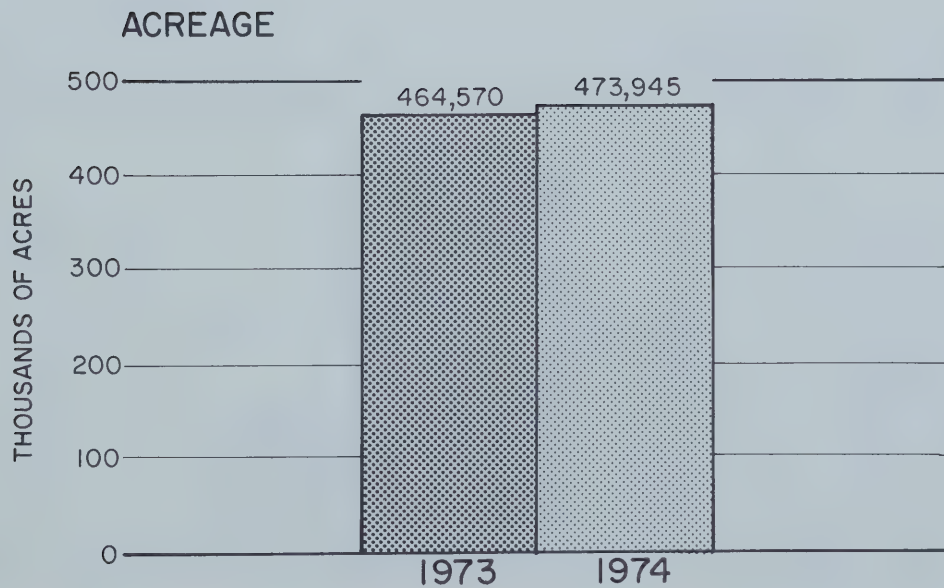
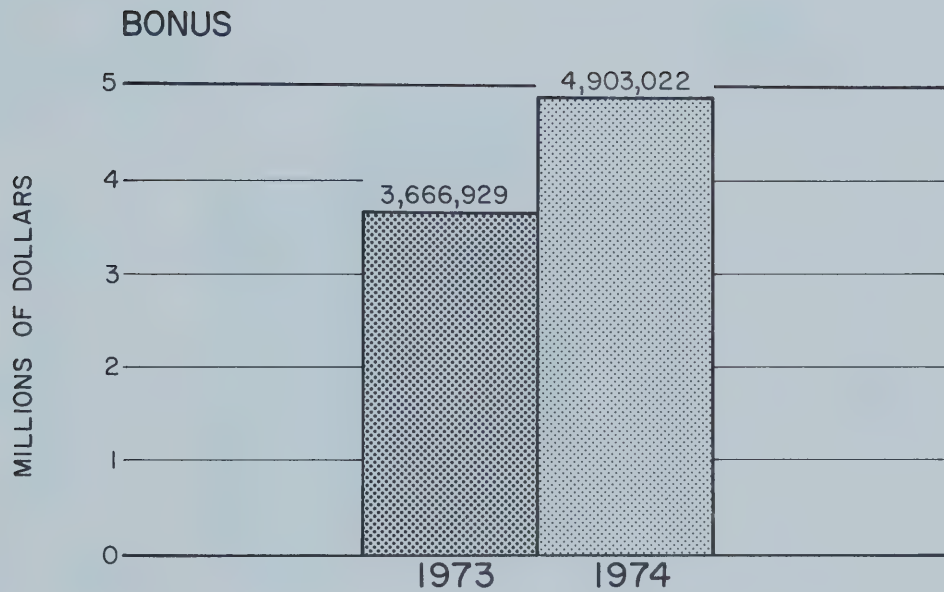
PROVINCIAL RESERVES



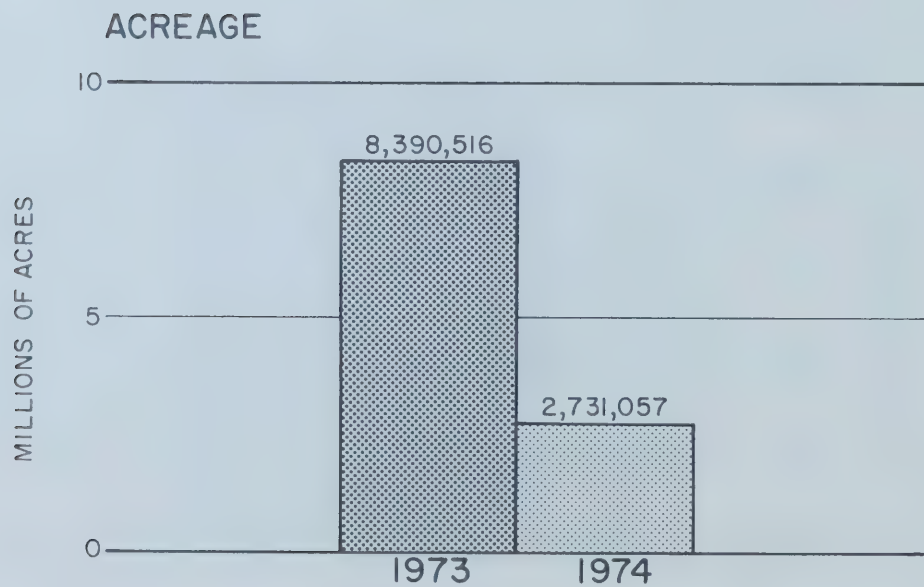
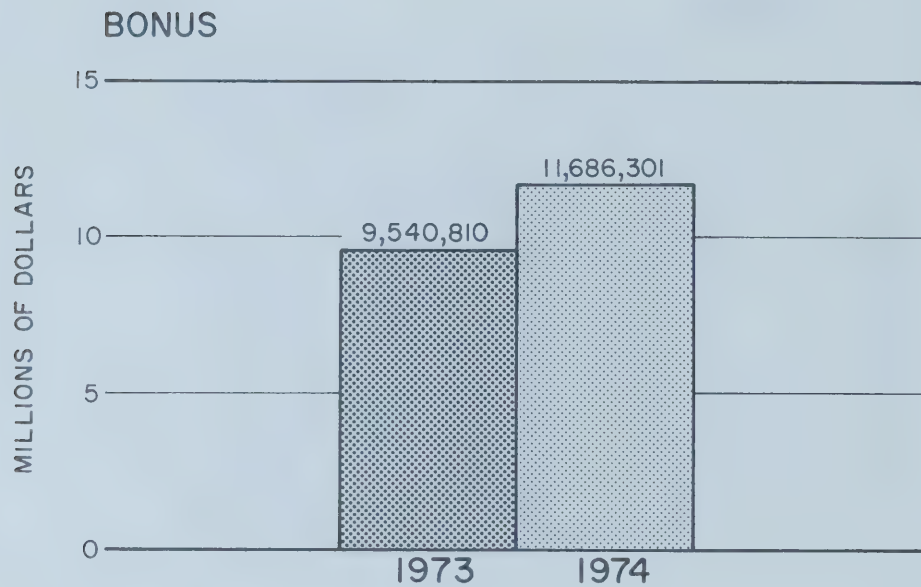
DRILLING RESERVATION



NATURAL GAS LICENCE

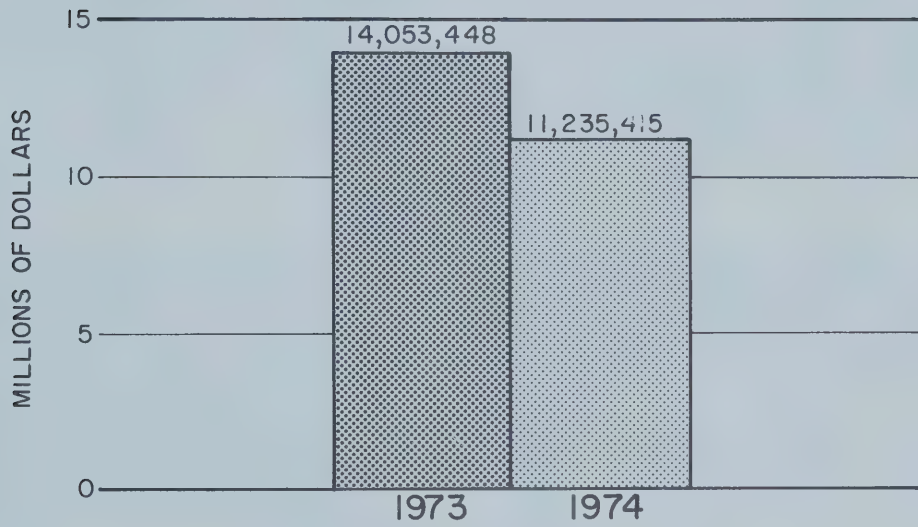


RESERVATION

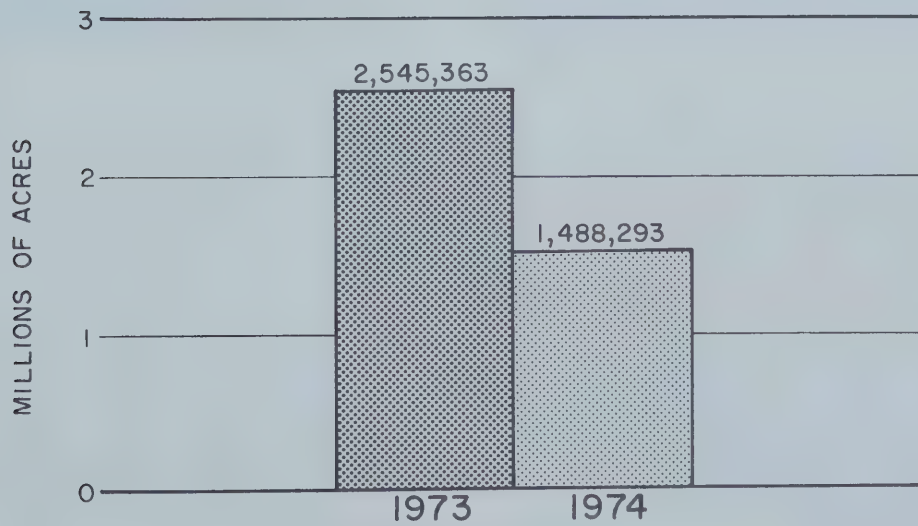


PERMIT

BONUS



ACREAGE



During 1973, there were 3,441 wells drilled of which 1,676 were exploratory and 1,765 were development. Total footage drilled was 12,645,697 feet compared with 10,076,799 feet during the previous year. At December 31, 1973 there were 14,368 oil wells and

4,536 gas wells capable of producing. An additional 2,551 gas wells were capped.

The following table shows the production and estimated sales value of Alberta's principal minerals.

	Production	Change from 1972 (Percent)	Estimated Sales Value 1973 (Dollars)
Conventional Crude - Bbls.	523,289,792	+23.0	1,822,516,769
Oil Sands Crude - Bbls.	18,446,347	- 2.0	72,206,850
Natural Gas (marketed) - Mmcf.	1,933,407	+ 6.3	354,892,320
Pentanes Plus - Bbls.	59,325,342	+ 1.7	222,884,505
Propane - Bbls.	32,213,756	+13.8	76,308,641
Butanes - Bbls.	20,989,851	+11.6	39,552,496
Sulphur - Long tons.	6,990,725	+ 6.8	22,841,097
Coal - Short tons.	10,498,417	- 0.4	60,768,267

During the fiscal year the Minerals Division checked and recorded 4,030 well licences issued by the Energy Resources Conservation Board. Following is a statement categorizing the various types of well licences processed.

Crown	2,857
Alienated	833
Test Holes	18
Injection	77
Water	49
Evaluation	42
Experimental	12
Oil Sands Evaluation	128
Observation	4
Salt	5
Lpg's	4
Salbage Casing	1
TOTAL	4,030

In order to encourage exploration for undiscovered reserves of oil and natural gas in Alberta, the Exploratory Drilling Incentive Regulations were made effective January 1, 1973. On that date any licensee who had credits established under these regulations could apply them in satisfaction of petroleum and natural gas lease rentals and royalties payable by him. During the fiscal year a total of 528 wells were certified under the regulations and credits of \$11,081,513 were established.

The following tables A and B show the number of mineral lease transactions and the acreage contained in each type. Table C provides further detail on these transactions as well as information on other transactions.

Spelling Error, page 24
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Salbage Casing	1
becomes	
Salvage Casing	1

NUMBER OF MINERAL LEASES

TABLE A

Type of Lease	Active at April 1, 1973	Issued	Reinstated	Divided	Cancelled	Renewed	Active at March 31, 1974
Petroleum and Natural Gas	32,773	3,996	31	165	2,768	...	34,197
Natural Gas	1,338	72	...	16	32	...	1,394
Petroleum	22	1	...	...	...	...	23
Coal	1,796	442	...	2	131	11	2,098
Road Allowance Coal	374	10	...	...	...	10	374
Quarrying	90	12	...	...	5	...	97
Salt	2	...	...	...	...	...	2
Bituminous Sands	84	...	...	...	...	...	84
Oil Sands	61	1	...	...	...	...	62
Iron	5	...	...	...	...	...	5
Sodium Sulphate	2	...	...	...	...	...	2
Quartz Minerals	10	...	...	...	3	...	7
Miscellaneous	10	2	...	...	...	...	12
TOTAL	36,567	4,536	31	183	2,939	21	38,357

ACREAGE CONTAINED IN ABOVE LEASES

TABLE B

Type of Lease	Active at April 1, 1973	Issued	Reinstated	Cancelled	Renewed	Active at March 31, 1974
Petroleum and Natural Gas	40,697,120	5,818,971	49,626	3,009,020	...	43,556,697
Natural Gas	5,133,490	410,573	...	203,109	...	5,340,954
Petroleum	58,843	160	...	...	...	59,003
Coal	1,972,973	817,603	...	281,664	3,440	2,505,472
Quarrying	16,208	3,692	...	459	...	19,441
Salt	1,204	...	...	...	...	1,204
Bituminous Sands	2,695,045	...	...	...	...	2,695,045
Oil Sands	1,644,554	41,457	...	...	...	1,686,011
Iron	40,057	...	...	...	...	40,057
Sodium Sulphate	2,157	...	...	...	...	2,157
Quartz Minerals	23,908	...	...	8,364	...	15,544
Miscellaneous	1,361	167	...	80	...	1,448
TOTAL	52,286,920	7,092,623	49,626	3,502,696	3,440	55,923,033

STATEMENT OF BUSINESS TRANSACTED, 1973 - 1974

PETROLEUM AND NATURAL GAS

TABLE C

	Number	Acres
Leases issued	3,996	5,818,971
Leases cancelled and relinquished	2,768	3,009,020
Leases reinstated	31	49,626
Reservations issued	158	3,095,817
Reservations terminated	140	4,708,943
Crown reserve drilling reservations issued	133	1,048,304
Crown reserve drilling reservations terminated	78	636,422
Permits issued	136	1,501,618
Permits terminated	184	2,768,131
Natural gas licences issued	22	341,182
Natural gas licences terminated	18	292,245
Crown reserve natural gas licences issued	35	486,425
Crown reserve natural gas licences terminated	23	337,172
Natural gas leases issued	72	410,573
Natural gas leases cancelled and relinquished	32	203,109
Petroleum leases issued	1	160

Fees, rentals, penalties and bonuses collected	\$ 81,791,319.39
Royalties collected	372,157,347.46
Crown reserve sales	51,356,586.80
TOTAL	<u>\$505,305,253.65</u>

COAL

	Number	Acres
Leases issued	442	817,603
Leases cancelled and relinquished	131	281,664
Road allowance leases —		
Leases issued	10	
Leases cancelled and relinquished	Nil	
Fees and rentals collected	\$3,483,750.01	
Royalties collected	676,180.48	
TOTAL	<u>\$4,159,930.49</u>	

QUARRYING

	Number	Acres
Leases issued	12	3,692
Leases cancelled and relinquished	5	459
Fees collected	\$ 110.00	
Royalties collected	101,720.31	
TOTAL	<u>\$101,830.31</u>	

MISCELLANEOUS

	Number
Oil sands prospecting permits issued	3
Oil sands leases issued	1
Quartz mineral exploration permits issued	6
Quartz mineral exploration permits terminated	4
Quartz mineral leases terminated	3
Special mineral leases issued	2
Quartz —	
Certificates of record issued	. . .
Certificates of record continued	. . .
Roadway mineral sales	1
Geophysical licences issued	116
Permits to operate geophysical equipment issued	12
Permits to operate geophysical equipment renewed	60
Fees, rentals, royalties and miscellaneous charges	\$ 115,515.31

Petroleum and Natural Gas

LEASES

Crown acreage under petroleum and natural gas lease increased from 40.7 to 43.6 million acres during the year. The 3,996 leases granted represented a 20% increase over the 3,334 issued the previous year. As of March 31, 1974 there were a total of 34,197 active Crown petroleum and natural gas leases.

The revenue received from fees amounted to \$40,846, from lease rentals \$39,441,812 and the bonuses accepted by the Mining Recorders at sales of petroleum and natural gas leases in Block A amounted to \$7,479,641. The revenue from compensatory royalty on petroleum and natural gas leases amounted to \$56,370 and from drilling extension penalties \$94,438.

Additional revenue of \$227,761 was realized from 63 leases of petroleum and natural gas rights not offered for public tender, but which were acquired under the appropriate sections under Part 5 of The Act.

DISPOSAL OF CROWN RESERVES

Petroleum and natural gas rights in Crown reserves may be disposed of as lease and reservation (the latter being referred to as Provincial Parcels) by order of the Lieutenant Governor in Council. During the year four Crown reserve sales were held and 683 leases and four such reservations were purchased for bonuses of \$23,262,444 and \$667,178, respectively. Particulars of Crown reserves purchases during the year may be obtained from the Department.

Crown Reserve Drilling Reservations

During the fiscal year 133 drilling reservations were issued comprising an area of 1,048,304 acres and at the close of the year 172 were active comprising an area of 1,375,066 acres.

The revenue from drilling reservation fees amounted to \$33,250, from rentals \$704,007 and the revenue from accepted offers at sales amounted to \$22,228,965, an increase of \$6,336,582 over the previous year.

Credit may be granted for expenditures incurred in drilling a well on a drilling reservation and applied in satisfaction of the first year's rental. During the fiscal year, rentals of \$120,136 on leases acquired out of these reservations were satisfied by credit.

Crown Reserve Natural Gas Licences

During the fiscal year 35 Crown reserve natural gas licences comprising an area of 486,425 acres were issued. At the close of the year 57 licences were active comprising an area of 829,235 acres. The revenue from fees was \$8,750, from rentals \$95,444 and the revenue from accepted offers at sales of Crown reserve natural gas licences amounted to \$4,903,022, an increase of \$1,236,093 over the previous year.

RESERVATIONS

During the fiscal year 158 reservations were issued comprising an area of 3,095,817 acres, and at the close of the year 881 active reservations contained an area of 25,820,984 acres. Due to the fact that many of the reservations issued comprised smaller areas, there was a decrease of 1,613,126 acres under the holdings of the previous year.

The revenue from reservation fees amounted to \$45,750, for extending reservations \$5,312,543 and \$11,686,301 resulted from bonuses accepted by the Director of Minerals at sales of petroleum and natural gas reservations.

Credit of not in excess of fifty per cent of the approved expenditures incurred in geophysical examination or drilling of wells on petroleum and natural gas reservations may apply to the rental for the first year of any lease or leases acquired out of the reservation. During the fiscal year rentals of \$1,790,740 were satisfied from such expenditures.

PERMITS

During the fiscal year 136 permits covering an area of 1,501,618 acres were issued and at the close of the year 313 permits were active comprising an area of 3,430,319 acres. This is a decrease of 48 permits and 1,266,513 acres. The revenue from fees was \$1,360, from rentals \$3,678,545 and from accepted offers at sales of permits \$11,235,415, a decrease of \$2,818,033 from last year's sales. Up to fifty per cent credit may be granted for expenditures incurred in drilling a well on a permit and applied in satisfaction of the first year's rental. During the fiscal year, rentals of \$2,386,858 on leases acquired out of permits were satisfied by credit.

NATURAL GAS LICENCES

During the fiscal year 22 natural gas licences comprising an area of 341,182 acres were issued. The revenue from fees was \$6,500 and from rentals was \$41,298. Credit may be granted for expenditures incurred in drilling a well on a natural gas licence and applied in satisfaction of the first year's rental. During the fiscal year, rentals of \$59,747 on leases acquired out of the licences were satisfied by credit.

NATURAL GAS LEASES

During the fiscal year 72 natural gas leases were issued comprising 410,573 acres. The revenue from fees was \$720 and from lease rentals \$1,515,165.

COAL

The following tonnage of coal subject to royalty was mined during the fiscal year:

Coal Leases	6,899,710 short tons
Coal Lands and	
Mineral Sales	22,341 short tons
TOTAL	6,922,051 short tons

QUARRYING

Extraction of 1,772,097 tons of limestone and shale, 21,111 cubic yards of clay, 447,338 tons of sandstone and 3,103 tons of bentonite from Crown leases was reported during the fiscal year.

GOLD AND SILVER RECOVERY

In connection with a sand and gravel operation, there were 162 Troy ounces of gold and 14 Troy ounces of silver recovered during the fiscal year.

SODIUM CHLORIDE

During the calendar year the plant near Lindbergh reported extraction of 99,782 tons, an increase of 23,121 tons over the previous year.

SODIUM SULPHATE

During the calendar year the plant near Provost operated and reported extraction of 67,204 tons, a decrease of 9,436 tons from the previous year.

ROADWAY MINERAL SALES

During the fiscal year there were no notifications issued pursuant to Section 24 of The Mines and Minerals Act, 1962, which provides a means whereby minerals in roadways may be returned to the adjacent owner.

GEOPHYSICAL AND GEOLOGICAL EXPLORATION

During the fiscal year 116 licences and 12 permits were issued while 60 permits were renewed.

Unit Operation of Minerals

During the fiscal year 16 agreements pursuant to Part 8 of The Mines and Minerals Act became effective for unit operation of petroleum and natural gas properties, a decrease of 10 from last year. These agreements were:

Name
Bonnie Glen Cardium Unit No. 1
Bonnie Glen D-3A Gas Cap Unit
Brazeau River Gas Unit No. 1
Bruce Gas Unit
Dunvegan Gas Unit No. 1
East Taber Mannville "D" Unit No. 2
Elnora Gas Unit
Holmberg Mannville Gas Unit
Mannville Gas Unit

Minburn Gas Unit
Provost Veteran Viking "C" South Unit
Ricinus Cardium Unit No. 1
The Choice Basal Quartz Unit
Wainwright Colony Sand Gas Unit No. 1
Wainwright Unit No. 7
Zama Keg River "H" Pool Unit No. 1

TECHNICAL SERVICES

In December 1973, as a result of a Department re-organization, the former Technical Division was amalgamated with the Minerals Division and during the fiscal year the Technical Services Branch, under Mr. J. M. Novak, Superintendent, provided the following services to the Department.

DRAUGHTING

The series of maps showing the status of oil and gas wells and field boundaries were drawn and covered approximately forty-eight townships for each area on a scale of three-quarters of an inch to a mile.

Birch River	—Townships 101 to 108, Ranges 19 to 25, West of the 4th Meridian
Clayton Lake	—Townships 101 to 108, Ranges 13 to 18, West of the 4th Meridian
Cornwall Lake	—Townships 118 to 126, Ranges 1 to 6, West of the 4th Meridian
Fort Chipewyan	—Townships 109 to 117, Ranges 7 to 12, West of the 4th Meridian
Old Fort Point	—Townships 109 to 117, Ranges 1 to 6, West of the 4th Meridian
Pine Lake	—Townships 118 to 126, Ranges 13 to 17, West of the 4th Meridian
Richardson River	—Townships 101 to 108, Ranges 1 to 6, West of the 4th Meridian
Ronald Lake	—Townships 101 to 108, Ranges 7 to 12, West of the 4th Meridian
Slave River	—Townships 118 to 126, Ranges 7 to 12, West of the 4th Meridian

All maps are revised as changes and additions occur.

A total of 6,200 maps were distributed by the Department.

Land descriptions were prepared for all mineral agreements issued by the Department, as well as descriptions for Recommendations to Council.

The photo-reproduction requirements of this Department were processed by the Surveys Branch, Department of Highways and Transport which supplies our ozalid print requirements.

The Records Branch maintains the records in the Department respecting leases, permits, reservations, licences and other agreements and certificates of record. It also provides

township plots to the public indicating availability or status of Crown minerals.

During the year 2,084 transfers were registered relating to 4,590 agreements. A comparison with the previous year follows:

Petroleum and Natural Gas Leases	5,005	3,981
Petroleum Leases	6	-
Petroleum and Natural Gas Permits	55	101
Petroleum and Natural Gas Reservations	281	284
Crown Reserve Drilling Reservations	33	39
Oil Sands Leases	6	-
Bituminous Sands Leases	2	1
Natural Gas Leases	132	107
Crown Reserve Natural Gas Licences	16	10
Coal Leases	333	59
Road Allowance Coal Leases	12	-
Quartz Mineral Exploration Permits	1	1
Certificates of Record	73	-
Geophysical Licences	3	-
Geophysical Permits	2	-
Iron Leases	-	5
Special Mineral Leases	-	2
TOTAL	5,960	4,590

The documents filed in comparison with the previous year were:

Type of Document	1972-1973	1973-1974
Discharge of Mechanics Lien	1	2
Builders Liens	14	14
Lis Pendens	4	-
Discharge of Builders Liens	10	16
Bank Securities	860	578
Discharge of Bank Securities	126	151
TOTAL	1,015	761

STAFF

During the fiscal year the Department was re-organized and in December 1973 the Revenue Branch, consisting of 37 staff members, was transferred to the new division of Finance while the former Technical Division compris-

ing 65 staff members was amalgamated with the Minerals Division. At the close of the fiscal year the division comprised 131 positions of which 110 were occupied.

Finance
Division

Finance Division

Report of the Director of Finance
L. H. MONTGOMERY, C.A.

The Finance Division was formed December 1, 1973 with the appointment of L. H. Montgomery, C.A. as Director. The Division comprises the former Crown Revenue or Royalties Section, responsible for the verification and collection of Crown royalties, fees and rentals; the Accounting Section, responsible for the record keeping, budgeting and payment of accounts; and the Freehold Revenues or Mineral Tax Section, responsible for the record keeping of Freehold Titles and collection of Mineral Taxes. The prime purpose of this amalgamation was to upgrade information gathering procedures to suit the needs of government.

The first step in the reorganization was the computerization of Crown and Freehold producing properties, referred to as the R/AP File. This enabled control over these properties and provided the ability to undertake the second step, namely, the computerization of oil royalty records necessary for the verification of oil royalty barrels to be sold by the newly-formed Alberta Petroleum Marketing Commission. The third step will be the computerization of gas and gas product royalty verification procedures followed by the upgrading of accounts receivable, ie. lease rentals and mineral taxes, which will be done in conjunction with the computerization of an overall Information System.

The following events have particular significance in the operation of this Division:

1. The Natural Gas Royalty Regulations and the Petroleum Royalty Regulations were amended effective January 1, 1974 and April 1, 1974 respectively, with the introduction of a price-dependent formula and hence higher royalty revenues to the Province.
2. The Alberta Petroleum Marketing Commission was authorized to collect all oil royalty revenues effective March 1, 1974.

Net revenues for the year ended March 31, 1974 amounted to 588 million dollars, an increase of 254 million dollars over 1973. This was attributable primarily to increased oil and gas royalties, sales of Crown reserves, and increased taxes. Total revenues collected from all sources since 1949 have amounted to 4,392 million dollars.

Expenditures for the year ended March 31, 1974 increased by 13.5 million dollars, primarily due to the introduction of the Exploratory Drilling Incentive Credit Program, Suf-field Evaluation and new research programs. The introduction of program budgeting will enable a more concise reporting of expenditure in future years.

ALBERTA MINES AND MINERALS
SCHEDULE OF NET REVENUES
 FOR THE YEAR ENDED MARCH 31, 1974.
 (with comparative figures for 1973)
 (000's)

	1973	1974	Increase
P. & N. G. Oil Royalty	\$172,333	\$302,123	\$129,790
P. & N. G. Gas and Gas Product Royalty	42,259	70,035	27,776
P. & N. G. Lease Rental, etc.	47,884	51,441	3,557
Bituminous Sands Oil Royalty	3,819	8,177	4,358
Bituminous Sands Lease Rental, etc.....	1,094	1,527	433
Coal Royalty	660	676	16
Coal Lease Rental, etc.	2,082	3,484	1,402
Sale of Crown reserves	61,085	81,707	20,622
Petroleum and Freehold Tax	3,026	69,074	66,048
Other	321	321	-
	<u>\$334,563</u>	<u>\$588,565</u>	<u>\$254,002</u>

SCHEDULE OF EXPENDITURE
 FOR THE YEAR ENDED MARCH 31, 1974
 (with comparative figures for 1973)
 (000's)

Appn. No.	Descriptions	1973	1974	Increase (Decrease)
2001	Ministers Office	\$ 31	\$ 65	\$ 34
2002	General Administration	313	419	106
2003	Petroleum Recovery Research	100	100	-
2005	Geological Division	7	8	1
2007	Minerals Division	578	736	158
2008	Mineral Tax Division	151	167	16
2010	Technical Division	419	521	102
2011	Abandonment of Mining Properties	3	3	-
2012	Redemption of Mineral Titles	42	75	33
2013	Clay and Marl Crown Lease Act	1	1	-
2015	Grants	4	12	8
	Supervisory and Safety Training			
2017	Admin. Crude Oil Revenue	190	196	6
2018	Sulfur Utilization	-	233	233
2019	International Energy	-	19	19
2020	Oil and Gas Studies	115	378	263
2021	Suffield Evaluation	-	2,650	2,650
2022	Feasibility Study	84	-	(84)
	Alberta Petroleum Marketing Com- mission	-	130	130
2023	Coal Lease Rental Rebate	-	9	9
	Sub Totals	2038	5722	3684
	Exploratory Drilling Incentive Credits	302	10,128	9,826
	Total	<u>\$2,340</u>	<u>\$15,850</u>	<u>\$13,510</u>

Personnel
Office

Personnel

Report of the Personnel Officer
G. D. DAWSON

Personnel office activity was brisk during the year as a result of a major reorganization of the Department. Considerable time was spent in assisting senior management in modifying the organization structure to meet new challenges facing the Department. Further modification will be made in the next fiscal year.

The major part of the reorganization was directed to the management area where personnel in this classification increased from 12 on December 1st, 1973 to 17 as of March 31st, 1974. Implementation of the new Management Classification Plan in early December has resulted in increased flexibility in the administration of compensation on the basis of results.

The number of classification requests increased sharply in the latter part of the fiscal year. This increase resulted from a review of existing positions and the creation of new positions by reorganization of the Department. A series of seminars on Job Description Preparation were staged for senior personnel to assist them in classification requests.

As of March 31st, 1974, there were 231 positions in the Department of which 207 were occupied.

Personnel transactions for the year are shown in Table 1 and numbers of occupied positions, by departmental division and type within each division, are shown in Table 2. Following this is an organization chart for the Department as of July 1, 1974.

PERSONNEL TRANSACTIONS

TABLE 1

All Competitions	56
Reclassifications—no change	0
—changed	6*
Classification Appeals—pending	0
—rejected	1
Commencements	62
Terminations	48
Transfers to other Departments	17

* Re-classification figure does not include Managerial positions (12) changed Dec. 1/73.

OCCUPIED POSITIONS MARCH 31, 1974

TABLE 2

Division	Managerial	Professional	Administrative	Clerical	Technical	Other	Total	Per Cent
General Administration ...	2	1	4	8		2	17	8.2%
Finance								
—Revenue	1		3	29			33	16.0%
—Accounts	1		1	28			30	14.5%
—Mineral Tax	1		1	15			17	8.2%
Minerals								
—Agreements	6		1	30			37	17.9%
—Sales	5		2	39			46	22.2%
—Technical Services ...	1			5	21		27	13.0%
TOTAL	17	1	12	154	21	2	207	100.0%
PER CENT	8.2%	0.5%	5.8%	74.4%	10.1%	1.0%	100.0%	

